

**THE STATE OF NEVADA****PERMIT TO APPROPRIATE WATER**

Name of Permittee: SADLER RANCH, LLC
Source: UNDERGROUND (WELL D)
Basin: DIAMOND VALLEY
Manner of Use: IRRIGATION
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 03/30/2012

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. The quantification of this mitigation right is not an adjudication of Proof of Appropriation No.'s V03289 and V03290. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the proof of completion of work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water granted herein at any and all times. This permit is issued subject to any determination of the waters of Big Shipley Springs and Tributaries and Indian Camp Springs and Tributaries that may be made under adjudication proceedings under NRS 533.090 through 533.320.

This permit is issued subject to State Engineer Ruling No. 6290, dated August 15, 2014.

The permittee shall keep monthly records of the amount of water pumped from this well and the records must be submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

The total combined duty of water under Permits 81720 and 82268 shall not exceed 975 acre-feet annually.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This right is issued to mitigate Claims of Vested Right V03289 and V03290 which have a priority date of 1879 or earlier. Additionally, this permit cannot be severed from Claims of Vested Right V03289 and V03290.

(Continued on Page 2)

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 3.0 cubic feet per second or 975.00 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

January 29 2017

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

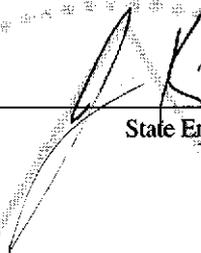
January 29 2020

Map in support of proof of beneficial use shall be filed on or before:

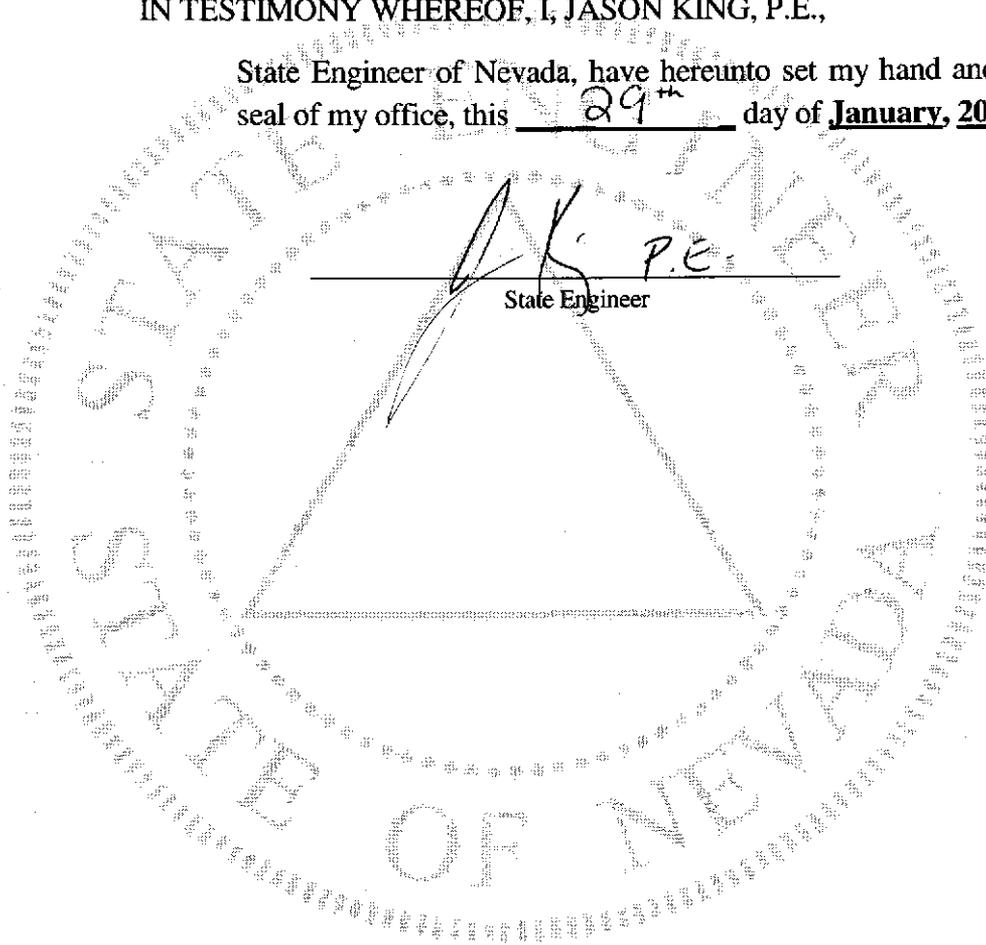
January 29 2020

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 29th day of **January, 2015**



State Engineer



Application No. 81720

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY

Date of Filing in State Engineer's Office MAR 30 2012

Returned to applicant for correction _____

Corrected Application filed _____ Map filed FEB 24 2012 under 81585T

The applicant Sadler Ranch, LLC c/o Doug Frazer

Post Office Box 831 of Forest Knolls

Street Address or P.O. Box City or Town

California 94933 hereby make(s) application for permission to appropriate the

State and ZIP Code

public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

Sadler Ranch, LLC is a domestic limited liability company filed in the State of Nevada on July 18, 2011

1. The source of water is Underground Sources (Well "D")
Name of the stream, lake, underground, spring or other sources.
2. The amount of water applied for is 6.00 cubic feet per second - not to exceed 3,462.38 acre feet annually
One second foot equals 448.83 gallons per minute.
 - (a) If stored in a reservoir give the number of acre-feet _____
3. The water is to be used for Irrigation Purposes (Supplemental)
Irrigation, power, mining, commercial, domestic or other use. Must be limited to one major use.
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated See Attached Exhibit "A"
 - (b) Stockwater, state number and kind of animals _____
 - (c) Other use (describe fully in No. 12) _____
 - (d) Power:
 - (1) Horsepower developed _____
 - (2) Point of return of water to stream _____

153-EU

5. The water is to be diverted from its source at the following point: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)

w/in the NW1/4 SE1/4 Section 23T24N, R52E, MDM or at a point from which the NW corner of Section 13 T24N, R52E, MDM bears North 09 degrees, 04 minutes 11 seconds East, a distance of 8,987.78 feet - Well "D". Refer to map filed under Permit No. 81585.

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated)

See Attached Exhibit "A"

7. Use will begin about January 1st and end about December 31st of each year.
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with a pump and motor, etc.)

Drilled and cased well, equipped with motor, pump, totalizing meter, pipeline and ditch systems to place of use

9. Estimated cost of works: \$125,000

10. Estimated time required to construct works: 2 years

(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 5 years

12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

A ground water well will be drilled and utilized to provide supplemental resources when water from Big Shipley Springs & tributaries and Indian Camp Springs and tributaries under Proof Nos. V-03289 and V-03290, respectively, are not capable of providing sufficient water to irrigate the place of use under Proof Nos. V-03289 and V-03290.

13. Miscellaneous remarks:

Refer to map under Proof Nos. V-03289 and V-03290 to support the proposed place of use. Refer to map under Permit No. 81585 to support the proposed point of diversion. The total combined duty under proposed Well "A" and Well "D" is 1.731.19 acres times a duty of 4.0 acre feet per acre totalling 6,924.76 acre feet annually.

mike@mbuschelman.com
E-mail Address
775-355-9628
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Michael D. Buschelman

Michael D. Buschelman
Type or print name clearly
Signature, applicant or agent

Michael D. Buschelman Consulting, Inc.
Company Name

Post Office Box 51371
Street Address or PO Box

Sparks, Nevada 89435
City, State, ZIP Code

Revised 07/09 \$300 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

2012 APR 30 11:14:00
RECEIVED

Protested: May 20, 2012, by the Etcheverry Family Ltd. Partnership, May 31, 2012, by James E. Gallagher, June 1, 2012, by Mark Moyle Farms, June 1, 2012, by Diamond Natural Resources Protection and Conservation Association, June 1, 2012, by Eureka County

Exhibit "A" - Sadler Ranch, LLC

Serial No.

Item Nos. 4 and 6 - Acres to be Irrigated and Proposed Place of Use

Refer to culture map filed under Proof Nos. V-03289 and V-03290

Acres Quarter Quarter Section Township Range

0.66	NW	NE	13	24	52
12.97	NE	NE	13		
19.15	SW	NE	13		
15.03	SE	NE	13		
6.20	NW	SW	13		
26.17	NE	SW	13		
19.64	SW	SW	13		
39.53	SE	SW	13		
27.55	NW	SE	13		
32.64	SW	SE	13		
30.35	SE	SE	13		

21.42	SW	SW	18	24	53
2.84	NW	SW	18		
21.38	NE	SW	18		
27.71	SE	SW	18		
12.75	NW	SE	18		
13.80	SW	SE	18		
10.81	SE	SE	18		

7.88	SW	SW	17	24	53
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9.78	SW	SW	19	24	53
8.26	SE	SW	19		
5.63	SW	SE	19		
21.60	NW	NW	19		
30.63	NE	NW	19		
6.69	NW	NE	19		
2.66	SW	NW	19		
1.69	SE	NW	19		
13.19	SW	NE	19		

6.49	SE	NE	23	24	52
10.05	NE	SE	23		
16.71	SE	SE	23		

RECEIVED
2012 MAR 30 PM 4:03
COUNTY CLERK

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Exhibit "A" - Sadler Ranch, LLC

Serial No.

Acres	Quarter	Quarter	Section	Township	Range
31.33	NW	NW	24	24	52
39.41	NE	NW	24		
30.79	SE	NW	24		
39.55	SW	NW	24		
29.91	NW	SW	24		
38.08	SW	SW	24		
28.64	NE	SW	24		
37.18	SE	SW	24		
38.52	NW	NE	24		
39.61	NE	NE	24		
18.14	SW	NE	24		
12.37	SE	NE	24		
5.83	NW	SE	24		
0.99	NE	SE	24		
30.52	SW	SE	24		
21.97	SE	SE	24		

39.84	NW	NW	25	24	52
39.84	NE	NW	25		
1.13	SW	NW	25		
26.38	SE	NW	25		
36.65	NW	NE	25		
24.85	NE	NE	25		
34.29	SW	NE	25		
40.00	SE	NE	25		

10.99	NE	NE	26	24	52
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11.10	NW	NW	29	24	53
18.55	NE	NW	29		
26.46	SE	NW	29		
30.37	SW	NW	29		
14.73	NW	SW	29		
0.52	NE	SW	29		
0.93	SW	NE	29		
11.73	NW	SE	29		
37.16	SW	SE	29		
37.39	SE	SE	29		

PROCESSED
2012 MAR 30 PM 4:00
STATE ENGINEERS OFFICE
07

Exhibit "A" - Sadler Ranch, LLC

Serial No.

Acres	Quarter	Quarter	Section	Township	Range
18.52	NW	NW	30	24	53
10.76	NE	NW	30		
37.65	SW	NW	30		
33.63	SE	NW	30		
23.09	NW	NE	30		
9.88	NE	NE	30		
21.17	SW	NE	30		
28.83	SE	NE	30		
11.83	NW	SE	30		
17.94	NE	SE	30		

36.72	NE	NE	32	24	53
39.65	NW	NE	32		

Sub Total 1657.28

32.49	NW	SW	25	24	52
33.19	NE	SW	25		
8.23	NW	SE	25		

Sub Total 73.91

Grand Total 1731.19

RECORDED
 2012 APR 30 PM 11:00
 State of Oklahoma
 QB